

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Nester	County Roscommon
Fiscal Year End 3/31/06	Opinion Date 11/22/06	Date Audit Report Submitted to State 12/13/06	

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO **Check each applicable box below.** (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  - ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  - ☒ ☐ The local unit has adopted a budget for all required funds.
  - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  - ☒ ☐ The local unit is free of repeated comments from previous years.
  - ☒ ☐ The audit opinion is UNQUALIFIED.
  - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) James M. Anderson, P.C.		Telephone Number 989-563-2450		
Street Address P.O. Box 255		City Roscommon	State MI	Zip 48653
Authorizing CPA Signatur 	<small>Digitally signed by James M. Anderson, CPA DN: cn=James M. Anderson, c=US, o=James M. Anderson, P.C., email=jma@m33access.com Date: 2006.12.13 07:57:39 -05'00'</small>	Printed Name James M. Anderson, CPA		License Number 1101017419

**TOWNSHIP OF NESTER**  
**ROSCOMMON COUNTY, MICHIGAN**  
**BASIC FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**TOWNSHIP OFFICIALS**

Supervisor

William Whiting

Clerk

Carolyn Corlew

Treasurer

Mary Lou Muma

**TRUSTEES**

Ronald Southwell

Raymond Good

**TOWNSHIP OF NESTER**

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## James M. Anderson, P.C.

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 255 • Roscommon, MI 48653

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### INDEPENDENT AUDITOR'S REPORT

November 22, 2006

Township Board  
Nester Township  
Roscommon County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Nester, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the above present fairly, in all material respects, the financial position of the governmental activities, each major fund activity, and the aggregate remaining fund information of the Township of Nester, as of March 31, 2006, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

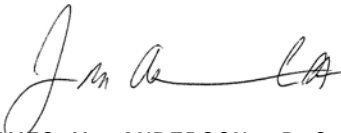
As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of March 31, 2006.

The management's discussion and analysis on pages 3-8 and budgetary comparison information on pages 27-33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

MEMBER MACPA and AICPA

Township Board  
Nester Township  
November 22, 2006  
Page 2

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Nester's basic financial statements. The introductory section and combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

A handwritten signature in cursive script, appearing to read "J M Anderson", written in dark ink.

JAMES M. ANDERSON, P.C.  
CERTIFIED PUBLIC ACCOUNTANT

## TOWNSHIP OF NESTER MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Nester Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2006.

### Financial Highlights

- . The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$441,477 (*net assets*). Of this amount, \$207,665 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations.
- . The Township's total net assets increased by \$21,507.
- . As of the close of the current fiscal year, the Township's general fund, reported an ending fund balance of \$115,984, an increase of \$10,124 in comparison with the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *Government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**TOWNSHIP OF NESTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Both of the Government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government and public safety. The Township does not have any business-type activities as of and for the year ended March 31, 2006.

The Government-wide financial statements can be found on pages 9-10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains four governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire, Garbage and Cemetery Funds.

The Township adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements or schedules have been provided for the governmental funds herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11-12 and 14-15 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.



**TOWNSHIP OF NESTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-26 of this report.

**Government-wide Financial Analysis**

*(Because this is the first year of implementation of Governmental Accounting Standards Board Statement No. 34, which requires this new reporting model, the following tables present only current year data. In future years, when prior-year information is available, comparative analysis of Township-wide data will be presented.)*

A portion of the Township's net assets (52%) reflects its investments in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

**Township's Net Assets**

	<u>Governmental Activities</u>
Current and Other Assets	\$ 210,700
Capital Assets, Net	<u>233,812</u>
Total Assets	444,512
Current Liabilities	<u>3,035</u>
Total Liabilities	3,035
Net Assets:	
Invested in Capital Assets, Net	
Of Related Debt	233,812
Unrestricted	<u>207,665</u>
<b>Total Net Assets</b>	<u><u>\$ 441,477</u></u>

**TOWNSHIP OF NESTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

The Township's net assets increased by \$21,507 during the current fiscal year. Unrestricted net assets - the part of net assets that can be used to finance day to day operations, increased by \$139,403 or 147%, during fiscal year 2006.

**Township's Changes in Net Assets**

	<u><b>Governmental Activities</b></u>
<b>Revenue:</b>	
Program Revenue:	
Charges for services	\$ 17,421
Operating Grants and Contributions	4,947
General Revenue:	
Property Taxes	88,209
State-Shared Revenues	22,199
Interest	6,940
Other	<u>553</u>
<b>Total Revenue</b>	<u>140,269</u>
<b>Expenses:</b>	
General Government	54,647
Public Safety	46,509
Public Works	<u>17,606</u>
<b>Total Expenses</b>	<u>118,762</u>
<b>Increase in Net Assets</b>	21,507
Net Assets, Beginning of Year	<u>419,970</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 441,477</u></u>

**Financial Analysis of the Government's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWNSHIP OF NESTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$207,665, a decrease of \$117,896 in comparison with the prior year. The *undesignated fund balance*, which is available for spending at the Township's discretion, constitutes 100% of this total amount.

The primary governmental fund is the General Fund of the Township. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 178% of total general fund expenditures.

**General Fund Budgetary Highlights**

The Township's budgets are prepared in accordance with Michigan Law. The budgeted funds are the General, Fire, Garbage and Cemetery Fund.

**Capital Assets and Debt Administration**

**Capital assets.** The Township's investment in capital assets for its governmental activities as of March 31, 2006, amounted to \$233,812 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, and equipment. Additions totaled \$156,684 for the fiscal year.

**Township's Capital Assets  
(net of depreciation)**

Land	\$ 28,425
Buildings and Improvements	46,813
Machinery and Equipment	<u>158,574</u>
<b>Total</b>	<b><u>\$ 233,812</u></b>

Additional information on the Township's capital assets can be found in note E on page 25 of this report.

**TOWNSHIP OF NESTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Factors Bearing on the Township's Future**

The following factors were considered in preparing the Township's budget for the 2006-2007 fiscal year:

The State of Michigan has made significant cuts in their operating budgets due to a down turn of the economy. For 2005-2006, the Township received \$17,977 in state shared revenues, representing 23% of the revenues in the General Fund. The amounts of state shared revenues for future periods is uncertain and will affect the Township's budget.

**Requests for Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Nester Township  
7855 Maple Valley Road  
St. Helen, MI 48656**

TOWNSHIP OF NESTER  
STATEMENT OF NET ASSETS  
MARCH 31, 2006

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 199,805
Receivables:	
Taxes Receivable	7,904
Other Governmental Units	<u>2,991</u>
Total Current Assets	210,700
Non-Current Assets:	
Capital Assets - Net	<u>233,812</u>
Total Assets	<u>444,512</u>
LIABILITIES	
Current Liabilities:	
Accrued Payable	<u>3,035</u>
Total Current Liabilities	<u>3,035</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	233,812
Unrestricted	<u>207,665</u>
Total Net Assets	<u><u>\$ 441,477</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES					
General	\$ (54,647)	\$ 17,421	\$ -0-	\$ -0-	\$ (37,226)
Public Safety	(46,509)	-0-	-0-	-0-	(46,509)
Public Works	<u>(17,606)</u>	<u>-0-</u>	<u>4,947</u>	<u>-0-</u>	<u>(12,659)</u>
Total Governmental Activities	<u>\$ (118,762)</u>	<u>\$ 17,421</u>	<u>\$ 4,947</u>	<u>\$ -0-</u>	<u>(96,394)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purpose					27,714
Public Safety					40,807
Public Works					19,688
State Shared Revenue not restricted to specific purposes					22,199
Miscellaneous					553
Investment Earnings					<u>6,940</u>
Total General Revenues					<u>117,901</u>
Change in Net Assets					21,507
Net Assets - April 1					<u>419,970</u>
Net Assets - March 31					<u>\$ 441,477</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
COMBINING BALANCE SHEETS - GOVERNMENTAL FUNDS  
MARCH 31, 2006

ASSETS	<u>General</u>	<u>Fire</u>
Cash and investments	\$ 111,867	\$ 59,911
Taxes receivable	2,134	2,550
Due from State	<u>2,991</u>	<u>-0-</u>
Total Assets	<u>\$ 116,992</u>	<u>\$ 62,461</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ <u>1,008</u>	\$ <u>2,027</u>
Total Liabilities	<u>1,008</u>	<u>2,027</u>
Fund Equity:		
Fund balance - Undesignated	<u>115,984</u>	<u>60,434</u>
Total Fund Equity	<u>115,984</u>	<u>60,434</u>
Total Liabilities and Fund Equity	<u>\$ 116,992</u>	<u>\$ 62,461</u>

The accompanying notes are an integral part of these financial statements.

<u>Garbage</u>	<u>Cemetery</u>	<u>Totals</u>
\$ 19,966	\$ 8,061	\$ 199,805
3,220	-0-	7,904
<u>-0-</u>	<u>-0-</u>	<u>2,991</u>
<u>\$ 23,186</u>	<u>\$ 8,061</u>	<u>\$ 210,700</u>

<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,035</u>
<u>-0-</u>	<u>-0-</u>	<u>3,035</u>

<u>23,186</u>	<u>8,061</u>	<u>207,665</u>
<u>23,186</u>	<u>8,061</u>	<u>207,665</u>
<u>\$ 23,186</u>	<u>\$ 8,061</u>	<u>\$ 210,700</u>



TOWNSHIP OF NESTER  
RECONCILIATION OF FUND BALANCES ON BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF  
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS  
MARCH 31, 2006

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES	\$ 207,665
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Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not  
current financial resources and therefore are not  
recorded in the funds. This represents the amounts by  
which capital assets used in governmental funds exceeds  
accumulated depreciation.

233,812

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 441,477</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Fire</u>	<u>Garbage</u>
Revenues:			
Taxes and assessments	\$ 27,714	\$ 40,807	\$ 19,688
Intergovernmental	27,146	-0-	-0-
Charges for services	8,325	-0-	-0-
Licenses and permits	8,721	-0-	-0-
Interest	3,009	3,749	122
Other	<u>366</u>	<u>187</u>	<u>-0-</u>
Total Revenues	<u>75,281</u>	<u>44,743</u>	<u>19,810</u>
Expenditures:			
General government	43,281	-0-	-0-
Public Safety	13,782	174,914	-0-
Public works	1,405	-0-	16,201
Other	<u>6,689</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures	<u>65,157</u>	<u>174,914</u>	<u>16,201</u>
Excess:			
Revenue over (under) expenditures	10,124	(130,171)	3,609
Fund Balance - April 1	<u>105,860</u>	<u>190,605</u>	<u>19,577</u>
Fund Balance - March 31	<u><u>\$ 115,984</u></u>	<u><u>\$ 60,434</u></u>	<u><u>\$ 23,186</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Cemetery</u>	<u>Totals</u>
\$ -0-	\$ 88,209
-0-	27,146
375	8,700
-0-	8,721
60	6,940
<u>-0-</u>	<u>553</u>
<u>435</u>	<u>140,269</u>
1,893	45,174
-0-	188,696
-0-	17,606
<u>-0-</u>	<u>6,689</u>
<u>1,893</u>	<u>258,165</u>
(1,458)	(117,896)
<u>9,519</u>	<u>325,561</u>
<u>\$ 8,061</u>	<u>\$ 207,665</u>

TOWNSHIP OF NESTER  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$(117,896)
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.  
However in the statement of activities, the cost of these  
assets are capitalized and depreciation charged to expense  
over their useful life.

139,403

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 21,507</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
STATEMENT OF FIDUCIARY NET ASSETS  
MARCH 31, 2006

ASSETS	
Cash and Investments	\$ <u>8,317</u>
LIABILITIES	
Undistributed Collections	<u>8,317</u>
Total Liabilities	<u>8,317</u>
NET ASSETS	
Net Assets	<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
YEAR ENDED MARCH 31, 2006

REVENUES	
Property Tax Collections	\$ 1,346,278
Interest and Fee Collections	<u>6,379</u>
Total Revenues	<u>1,352,657</u>
EXPENDITURES	
Property Taxes	1,346,278
Other	<u>6,379</u>
Total Expenditures	<u>1,352,657</u>
Excess of Revenues over Expenditures	-0-
Net Assets - April 1	<u>-0-</u>
Net Assets - March 31	<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2006

NOTE A: ENTITY

The Township of Nester is a general law township of the state of Michigan located in Roscommon County, Michigan. It operates under an elected board and provides services to its residents in many areas including liquor law enforcement, community enrichment, and human services. As required by generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present the Township of Nester (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if the data was not included.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Nester conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2005, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - And Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a Township-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports following major governmental funds:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Fire Fund* is used to account for all financial activity related to the township's fire protection activities. The main source of revenue is derived from property taxes.

The *Garbage Fund* is used to account for the garbage collection activity administered by the township. The major source of revenue is from special assessments.

The Township reports the following nonmajor governmental fund:

*Cemetery Fund*



TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the Township reports the following fund types:

*Agency Funds* are used to account for assets held on behalf of outside parties, including other governments.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2005, are recorded as revenue in the current year. The Township's taxable value for the 2005 tax year totaled \$20,568,082.

The tax rates for the year ended March 31, 2005, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	1.3515 mills per \$1,000
Fire	1.9900 mills per \$1,000
Garbage	Special Assessment

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure), is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

LONG-TERM OBLIGATIONS - In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE C - CASH AND INVESTMENTS

The captions or combined balance sheet related to deposits and investments are as follows:

	<u>Cash and Deposits</u>
Cash and investments	\$ 199,805
Agency Funds	<u>8,317</u>
Total	<u>\$ 208,122</u>

The Government Accounting Standards Board Statement No. 3 risk disclosures for Nester Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 108,279	\$ 117,701
Uninsured and Uncollateralized	<u>99,843</u>	<u>92,384</u>
Total Deposits	<u>\$ 208,122</u>	<u>\$ 210,085</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$208,122 and the bank balance was \$210,085. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 56% of the total bank balance was covered by federal depository insurance.

Investments - P.A. 20 of 1943, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31 2006

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Michigan law and Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to local government's indirect investment in securities through the use of mutual funds or government investment pools.

Interest Rate Risk

The Township has not adopted a policy that indicates how the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Concentration of Credit Risk

The Township has not adopted a policy that indicates how the Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

NOTE D - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of amounts due from the State of Michigan of \$2,991.

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2006 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	<u>\$ 28,425</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 28,425</u>
Total capital Assets, not being depreciated	<u>28,425</u>	<u>-0-</u>	<u>-0-</u>	<u>28,425</u>
Capital assets, being depreciated:				
Building and improvements	<u>122,837</u>	<u>-0-</u>	<u>-0-</u>	<u>122,837</u>
Machinery and equipment	<u>131,133</u>	<u>156,684</u>	<u>-0-</u>	<u>287,817</u>
Total capital assets, being depreciated	<u>253,970</u>	<u>156,684</u>	<u>-0-</u>	<u>410,654</u>
Less accumulated depreciation for:				
Buildings and improvements	<u>71,951</u>	<u>4,073</u>	<u>-0-</u>	<u>76,024</u>
Machinery and equipment	<u>116,035</u>	<u>13,208</u>	<u>-0-</u>	<u>129,243</u>
Total accumulated depreciation	<u>187,986</u>	<u>17,281</u>	<u>-0-</u>	<u>205,267</u>
Net capital assets, being depreciated	<u>65,984</u>	<u>139,403</u>	<u>-0-</u>	<u>205,387</u>
Net governmental activities capital assets	<u>\$ 94,409</u>	<u>\$ 139,403</u>	<u>\$ -0-</u>	<u>\$ 233,812</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$ 2,784</u>
Public safety	<u>14,497</u>
Total depreciation expense - governmental activities	<u>\$ 17,281</u>

TOWNSHIP OF NESTER  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE F - PENSION PLAN

Nester Township participates in a defined contribution pension plan, administered by Travelers Life Insurance Company. The plan is available for all township officials. Contributions to the pension investment plan are based on a percentage of 7.51% of compensation. Employees can also make voluntary contributions to the plan. For the year ended March 31, 2006, the Township made its required employer contribution of \$2,162.

NOTE G - INSURANCE

The Township is a member of the Michigan Municipal Liability and Property Pool. As a member of the Pool, the Township is partially self-insured for general and auto liability, motor vehicle physical damage and property loss claims. Under most circumstances, the municipality's maximum coverage is limited as follows:

<u>Type</u>	<u>Limit</u>	<u>Deductible</u>
Property	\$ 627,217	100
Liability	1,000,000	-0-
Errors and Omission	1,000,000	-0-
Automobiles	1,000,000	100
Crime	10,000	-0-
Inland Marine	55,000	100
Workmen's Compensation	STATUTORY	-0-

**SUPPLEMENTARY  
INFORMATION**

TOWNSHIP OF NESTER  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes and Assessments:				
General property taxes	\$ 26,467	\$ 26,467	\$ 27,714	\$ 1,247
Total Taxes and Assessments	<u>26,467</u>	<u>26,467</u>	<u>27,714</u>	<u>1,247</u>
Intergovernmental:				
State shared revenues	14,000	14,000	17,977	3,977
State swamp tax	4,222	4,222	4,222	-0-
Bankhead Jones Forest Reserve Metro Act	<u>2,500</u> <u>-0-</u>	<u>2,500</u> <u>-0-</u>	<u>1,790</u> <u>3,157</u>	<u>(710)</u> <u>3,157</u>
Total Intergovernmental	<u>20,722</u>	<u>20,722</u>	<u>27,146</u>	<u>6,424</u>
Charges for Services:				
Fees	7,938	7,938	8,265	327
Rent	<u>360</u>	<u>360</u>	<u>60</u>	<u>(300)</u>
Total Charges for Services	<u>8,298</u>	<u>8,298</u>	<u>8,325</u>	<u>27</u>
Licenses and Permits	<u>11,300</u>	<u>11,300</u>	<u>8,721</u>	<u>(2,579)</u>
Interest	<u>900</u>	<u>900</u>	<u>3,009</u>	<u>2,109</u>
Other:				
Reimbursements	<u>300</u>	<u>300</u>	<u>366</u>	<u>66</u>
Total Other	<u>300</u>	<u>300</u>	<u>366</u>	<u>66</u>
Total Revenue	<u>67,987</u>	<u>67,987</u>	<u>75,281</u>	<u>7,294</u>



TOWNSHIP OF NESTER  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government				
Township Board:				
Salaries-board	\$ 2,400	\$ 2,400	\$ 2,080	\$ 320
Legal& professional	6,000	6,000	1,314	4,686
Mileage	125	125	-0-	125
Printing and publishing	300	300	61	239
Office supplies	700	700	802	(102)
Miscellaneous	200	200	420	(220)
Total Township Board	<u>9,725</u>	<u>9,725</u>	<u>4,677</u>	<u>5,048</u>
Township Supervisor:				
Salary and wages	7,080	7,080	7,080	-0-
Mileage	300	300	247	53
Miscellaneous	450	450	70	380
Total Township Supervisor	<u>7,830</u>	<u>7,830</u>	<u>7,397</u>	<u>433</u>
Township Assessor:				
Contractual services	8,000	8,000	6,783	1,217
Professional services	100	100	-0-	100
Office supplies	700	700	401	299
Total Township Assessor	<u>8,800</u>	<u>8,800</u>	<u>7,184</u>	<u>1,616</u>
Election Board:				
Wages	600	600	-0-	600
Office supplies	650	650	-0-	650
Mileage	150	150	-0-	150
Miscellaneous	100	100	-0-	100
Total Election Board	<u>1,500</u>	<u>1,500</u>	<u>-0-</u>	<u>1,500</u>
Township Clerk:				
Salary and wages	8,150	8,150	7,900	250
Office supplies	350	350	152	198
Mileage	300	300	183	117
Miscellaneous	800	800	473	327
Total Township Clerk	<u>9,600</u>	<u>9,600</u>	<u>8,708</u>	<u>892</u>

TOWNSHIP OF NESTER  
GENERAL FUND  
STATEMENT OF EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Township Treasurer:				
Salary and wages	\$ 8,540	\$ 8,540	\$ 7,540	\$ 1,000
Office supplies	1,000	1,000	577	423
Mileage	600	600	582	18
Miscellaneous	<u>700</u>	<u>700</u>	<u>504</u>	<u>196</u>
Total Township Treasurer	<u>10,840</u>	<u>10,840</u>	<u>9,203</u>	<u>1,637</u>
Board of Review:				
Salaries	1,150	1,150	630	520
Office supplies	200	200	136	64
Mileage	50	50	122	(72)
Education & Training	<u>200</u>	<u>200</u>	<u>120</u>	<u>80</u>
Total Board of Review	<u>1,600</u>	<u>1,600</u>	<u>1,008</u>	<u>592</u>
Township Hall:				
Salaries and wages	850	850	290	560
Utilities	3,500	3,500	2,388	1,112
Supplies	250	250	-0-	250
Contractual services	1,600	1,600	1,079	521
Repairs and maintenance	1,500	1,500	75	1,425
Miscellaneous	250	250	25	225
Capital outlay	<u>6,000</u>	<u>4,500</u>	<u>-0-</u>	<u>4,500</u>
Total Township Hall	<u>13,950</u>	<u>12,450</u>	<u>3,857</u>	<u>8,593</u>
Zoning Board:				
Salaries and wages	1,550	1,550	767	783
Supplies	500	500	170	330
Legal and professional	1,000	1,000	285	715
Mileage	250	250	25	225
Printing and Publishing	500	500	-0-	500
Miscellaneous	<u>150</u>	<u>150</u>	<u>-0-</u>	<u>150</u>
Total Zoning Board	<u>3,950</u>	<u>3,950</u>	<u>1,247</u>	<u>2,703</u>
Total General Government	<u>67,795</u>	<u>66,295</u>	<u>43,281</u>	<u>23,014</u>

TOWNSHIP OF NESTER  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Building Administration:				
Building inspector	\$ 3,325	\$ 3,325	\$ 2,886	\$ 439
Electrical inspector	2,850	2,850	2,523	327
Plumbing and Mechanical inspector	<u>3,800</u>	<u>3,800</u>	<u>2,573</u>	<u>1,227</u>
Total Building Administration	<u>9,975</u>	<u>9,975</u>	<u>7,982</u>	<u>1,993</u>
Public Safety:				
Ambulance	<u>5,000</u>	<u>6,500</u>	<u>5,800</u>	<u>700</u>
Public Works:				
Street lights	1,500	1,500	1,405	95
Roads	<u>7,000</u>	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>
Total Public Works	<u>8,500</u>	<u>8,500</u>	<u>1,405</u>	<u>7,095</u>
Other:				
Insurance and bonds	6,000	6,000	4,082	1,918
Pension plan	3,000	3,000	2,162	838
Social Security/Medicare	<u>900</u>	<u>900</u>	<u>445</u>	<u>455</u>
Total Other	<u>9,900</u>	<u>9,900</u>	<u>6,689</u>	<u>3,211</u>
Total Expenditures	<u>101,170</u>	<u>101,170</u>	<u>65,157</u>	<u>36,013</u>
Excess:				
Revenues over (under) Expenditures	(33,183)	(33,183)	10,124	43,307
Fund Balance - April 1	<u>105,860</u>	<u>105,860</u>	<u>105,860</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 72,677</u>	<u>\$ 72,677</u>	<u>\$ 115,984</u>	<u>\$ 43,307</u>

TOWNSHIP OF NESTER  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 37,556	\$ 37,556	\$ 40,807	\$ 3,251
Interest	1,500	1,500	3,749	2,249
Other	<u>200</u>	<u>200</u>	<u>187</u>	<u>(13)</u>
Total Revenues	<u>39,256</u>	<u>39,256</u>	<u>44,743</u>	<u>5,487</u>
Expenditures:				
Personal service	3,200	3,200	2,744	456
Fringe benefits	220	220	145	75
Utilities	3,000	3,000	3,355	(355)
Vehicle	1,000	1,000	250	750
Contractual services	2,000	2,000	1,404	596
Training & education	3,000	3,000	390	2,610
Insurance	5,500	5,500	6,292	(792)
Supplies/repairs	4,250	4,250	3,250	1,000
Miscellaneous	50	50	400	(350)
Capital outlay	<u>13,000</u>	<u>13,000</u>	<u>156,684</u>	<u>(143,684)</u>
Total Expenditures	<u>35,220</u>	<u>35,220</u>	<u>174,914</u>	<u>(139,694)</u>
Excess:				
Revenues over (under) expenditures	4,036	4,036	(130,171)	(134,207)
Fund Balance - April 1	<u>190,605</u>	<u>190,605</u>	<u>190,605</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 194,641</u>	<u>\$ 194,641</u>	<u>\$ 60,434</u>	<u>\$ (134,207)</u>

TOWNSHIP OF NESTER  
GARBAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 19,788	\$ 19,788	\$ 19,688	\$ (100)
Interest	50	50	122	72
Other	<u>50</u>	<u>50</u>	<u>-0-</u>	<u>(50)</u>
Total Revenues	<u>19,888</u>	<u>19,888</u>	<u>19,810</u>	<u>(78)</u>
Expenditures:				
Contractual services	<u>17,050</u>	<u>17,050</u>	<u>16,201</u>	<u>849</u>
Total Expenditures	<u>17,050</u>	<u>17,050</u>	<u>16,201</u>	<u>849</u>
Excess:				
Revenues over (under) expenditures	2,838	2,838	3,609	771
Fund Balance - April 1	<u>19,577</u>	<u>19,577</u>	<u>19,577</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 22,415</u>	<u>\$ 22,415</u>	<u>\$ 23,186</u>	<u>\$ 771</u>

TOWNSHIP OF NESTER  
CEMETERY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Services	\$ 800	\$ 800	\$ 375	\$ (425)
Interest	50	50	60	10
Other	<u>50</u>	<u>50</u>	<u>-0-</u>	<u>(50)</u>
Total Revenues	<u>900</u>	<u>900</u>	<u>435</u>	<u>(465)</u>
Expenditures:				
Personal service	1,000	1,000	375	625
Fringe benefits	75	75	29	46
Contractual services	1,000	1,000	580	420
Repairs and maintenance	1,500	1,500	909	591
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>-0-</u>	<u>1,500</u>
Total Expenditures	<u>5,075</u>	<u>5,075</u>	<u>1,893</u>	<u>3,182</u>
Excess:				
Revenues over (under) expenditures	(4,175)	(4,175)	(1,458)	2,717
Fund Balance - April 1	<u>9,519</u>	<u>9,519</u>	<u>9,519</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 5,344</u>	<u>\$ 5,344</u>	<u>\$ 8,061</u>	<u>\$ 2,717</u>